

WORLD BRIEFS

Brewing Religious Upheaval Alarms Jakarta Government

By William Branigan
Washington Post Service

JAKARTA — Religious strife in the world's largest Muslim nation has alarmed President Suharto's government as he prepares for his sixth and possibly final term in office.

10,000 activists tore down and burned the home and church of a self-styled Pentecostal preacher outside Pasuruan, East Java, on Nov. 15, to protest anti-Islamic tracts he had allegedly distributed.

Islamic groups. Observers see his efforts as aimed primarily at creating a political counterweight to the Indonesian armed forces and co-opting a potentially powerful vehicle for antigovernment passions.

adhere to pre-Islamic beliefs based in Javanese mysticism, he said. In a speech to a conference of Buddhists earlier this month, Mr. Suharto warned Indonesians not to let religious fervor get out of control.

TAIWAN: Drifting Away

(Continued from page 1)
in part because the Kuomintang refugees from mainland China who used to rule Taiwan are gradually being replaced by native Taiwanese.



Opposition deputies displaying their message on banners Friday in Taipei at the start of a 20-day session of the electoral college.

UN General Is Targeted In Bosnia

By Peter Maass
Washington Post Service

SARAJEVO, Bosnia-Herzegovina — The commander of United Nations forces in Bosnia said Friday that his residence had been shelled, probably by Bosnian government soldiers, and that he had been "targeted directly."

"It's clear that I have been targeted directly," General Morillon said. "It was certainly to kill."

"The actions that were taken were not the right ones," General Nambiar said. "They should have been more effective. But that's history."

He said that intervention might bring the end of UN relief operations and escalate battlefield casualties, not only in Bosnia but perhaps in other parts of what was once Yugoslavia.

General Nambiar again stressed his belief — disputed by some of his own officers — that Western military intervention in Bosnia would be a bad idea.

He said that intervention might bring the end of UN relief operations and escalate battlefield casualties, not only in Bosnia but perhaps in other parts of what was once Yugoslavia.

General Nambiar said that military intervention of any sort would jeopardize his troops.

■ **Milosevic Wins, Officially**
Serbia's president, Slobodan Milosevic, has won last Sunday's presidential election, according to official results released Friday by the Serbian Electoral Commission.

Spy Operations Cut in 1992, Russia Asserts

Agence France-Presse
MOSCOW — Russia cut its spy force in 1992, a spokeswoman for foreign intelligence operations was quoted as saying Friday by the newspaper Izvestia.

No Obstacles to Arms Pact, Moscow Says

Compiled by Our Staff From Dispatches

MOSCOW — The Foreign Ministry said Friday that there were no major obstacles to signing a major nuclear-arms reduction treaty but dismissed reports that a date and place for signing the pact had been agreed to by Presidents Boris N. Yeltsin and George Bush.

"I do not think there are any obstacles," the spokesman said. "The sides are unanimous on things that really matter."

news agency Interfax that the treaty was ready to be signed by the two presidents at a meeting Jan. 2 and 3 in the Black Sea town of Sochi.

Mr. Bush, briefed by his negotiators, discussed the treaty by telephone with Mr. Yeltsin for about 20 minutes late Thursday. The two leaders have spoken several times about the negotiations.

Mr. Eagleburger and Mr. Kozoyev also have spoken by telephone almost every day this week, trying to wind up the negotiations, the State Department said.

News of the hijacking coincided with an announcement on Belgrade television that citizens from the province where the hijacking took place had "donated a substantial quantity of technical equipment" to the broadcasting outlet of the self-declared Serbian state in Bosnia-Herzegovina.

The hijackers also kidnapped and drugged the drivers of the five trucks that carried the equipment, the station said.

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■ **Pakistan Said to Seek Tanks**
ISLAMABAD, Pakistan — Pakistan will buy 320 Polish T-72 tanks for \$450 million, sources quoted by the press here said Friday. No official confirmation could be obtained.

Somalia Force Finds 5,000 Mines

French and U.S. Troops Secure Inland Town of Hoddur

Compiled by Our Staff From Dispatches
MOGADISHU, Somalia — French and U.S. troops secured the inland town of Hoddur on Friday and began the task of clearing thousands of mines laid by rival warlords.

The town was the sixth to be taken by the U.S.-led military coalition. The 350 French Foreign Legionnaires and 250 Marines secured Hoddur's dirt airstrip and swept through the town of about 30,000. As in each previous deployment, no shots were fired.

A U.S. Marine spokesman, briefing reporters in Mogadishu, said the French-American team had found an estimated 5,000 anti-tank and anti-personnel mines on roads and paths around the town, about 300 kilometers (185 miles) northwest of Mogadishu.

"Their main task today is to get a handle on the mine situation and clear the airport" for the resumption of aid flights, said the spokesman. Eric Carlson, a Marine chief warrant officer.

Hijacked by Belgrade, Independent TV Says

United Press International
BELGRADE — Armed men hijacked more than \$200,000 in U.S.-donated equipment intended to allow Belgrade's independent Studio B television to compete with state-run television, the mainstay of the self-declared Serbian state in Bosnia-Herzegovina.

The hijackers also kidnapped and drugged the drivers of the five trucks that carried the equipment, the station said.

The stolen equipment was donated by the U.S.-based International Media Fund, a New York foundation that supports the development of independent media, and was worth \$238,000, Mr. Kojadinovic said.

He said no mines had been found on the airstrip.

Mine Injures 3 U.S. Pilots

KUWAIT — Three U.S. pilots were injured when they set off a mine while exploring a Kuwaiti oil field, a local newspaper said on Friday. It said that one of the pilots noticed a wire on the ground and pulled the wire, setting off the blast.

With wells filled by rocks and tools plundered, the villagers were unable to live their normal subsistence farming life. With the roads closed to vehicles, relief agencies were unable to feed them.

Forty-four thousand refugees streamed into Bardera, and many of them died along the way. Even with food arriving now by cargo plane, 70 refugees die daily of famine-related causes.

Mr. Fennell and other relief officials said the first priority for the Marines was clearing the road. The mines are still very much a threat.

Iran Warns Gulf Council on 3 Isles

TEHRAN (Reuters) — President Hashemi Rafsanjani, pressing Iran's claim to three disputed Gulf islands, said Friday that Gulf Arab states would have to "cross a sea of blood" to reach them. But he also invited governments of Arab states in the region to talks in Tehran to settle the dispute.

French Split on Reappointing Tapie

PARIS (Reuters) — Leading members of the governing Socialist Party have sharply criticized a decision by Prime Minister Pierre Berégovoy of France to reappoint Bernard Tapie, a millionaire who controls the Adidas sports equipment company, to the cabinet.

Indian Police Arrest 3,000 Militants

LUCKNOW, India (Reuters) — Indian police arrested more than 3,000 Hindu militants Friday as they threatened to march to a shrine in the northern town of Ayodhya, built on the site of a mosque destroyed by Hindu militants earlier this month.

Russia to Stay on Economic Course

MOSCOW (AP) — Boris Fyodorov, Russia's new economic strategy chief, said Friday that he planned to follow the course of free-market changes set by the previous government and did not intend to devise new economic programs.

40 Soldiers Slain in Tamil Ambush

COLOMBO (Reuters) — Tamil guerrillas fighting for a separate state in northern and eastern Sri Lanka killed 40 soldiers in an ambush and are believed to have lost up to 30 of their own fighters, military sources said on Friday.

For the Record

Some 200 homeless men, women and children occupied the lobby of the George V, a swanky Paris hotel on Christmas Day, staging a symbolic protest for housing in this high-rent capital. (AP)

IRA Has Made Itself Felt in London

LONDON (WP) — This year's campaign by the Irish Republican Army to disrupt London during the holiday season has been the most extensive in years. The series of threats and bombings has prompted the authorities to take the unusual step of setting up armed roadblocks.

President Hosni Mubarak of Egypt visited with foreign tourists at the ancient ruins of Luxor in an effort to show the government's concern following recent attacks on tourists by fundamentalist Muslims. (NYT)

AGOG: At Last, the Relief Arrives

(Continued from page 1)
town and we must buy from those who are given the relief.

In Bardera, more than an hour down a pitted and still dangerous relief experts said they used to feed 120,000 villagers like Mr. Aden every day. But on Oct. 16, the forces of General Mohammed Siad Barre Morgan defeated General Mohammed Farrah Aidid for control of Bardera.

General Aidid's men laid mines in their retreat. General Morgan's aid mines to prevent General Aidid's return. Before Thursday, the road into Bardera had not opened since.

Marines Rescue Journalists From Mob in Bardera

BARBERA, Somalia — U.S. troops rescued a group of journalists Friday from a mob of Somalis who attacked the group with rocks and sticks, the U.S. military said.

The incident underscored the continuing tension in this central Somalia town, despite the arrival of U.S. Marines on Thursday.

Colonel Gersh said the group was rescued about five minutes later by troops from the 7th Marine Regiment.

INTERNATIONAL Herald Tribune

Unpardonable Pardon

Of all the president's powers, the power to pardon may be the most awesome because it is not shared or checked by any other branch of government.

These are valid factors for leniency at sentencing, not excuses for criminal cover-ups, perjuries and devious obstruction of legitimate congressional inquiry.

Tax Energy at the Pump

The rumor exists that the Clinton administration-to-be might look kindly on an oil import fee to help reduce the deficit.

The more familiar exclusions and deductions as income rises, as with the partial taxation since 1983 of Social Security benefits.

Collapse of an Air Deal

Work on 'Open Skies'

Sadly but wisely, the Bush administration has rejected a proposal by British Airways to invest \$750 million in USAir.

to the lucrative U.S. market, other European carriers began to seek U.S. partners. But their applications, unlike KLM's, would face opposition because their governments had not signed open skies treaties.

A Loss for the Public

British Airways' decision to back out is a victory for other U.S. carriers that had been lobbying against the proposed arrangement with USAir on a number of grounds.

voting stock, but under no circumstance to "control" a carrier. British Airways had sought the agreement to gain more access to the U.S. market.

Get Started On the Zones Of Freedom

By A. M. Rosenthal

NEW YORK — Now that Bill Clinton has his foreign policy team in place he owes himself, the United States and the world one thing more: a foreign policy that will strengthen and extend the zones of freedom.



By HENGO as Leslie Zandvoort (Singapore), CAV Synchro.

Cuckoo? You Can Be The Judge

By Flora Lewis

PARIS — Foreign Minister Andrei Kozirev of Russia stuns the 50 other ministers at the conference on Security and Cooperation in Europe, promising help for Serbia from "Greater Russia" and reviving the harshest Cold War rhetoric.

It may be a time when it is worth listening to the far-out fantasticks.

unique Motti calls "the challenge of the new world disorder" that these suggestions have a point. It is the Time of the Cuckoo, anything might be possible. Look closely.

Expect Some Shots From the Stay-at-Home Folks

By William Safire

WASHINGTON — Bill Clinton's selection of Tony Lake and Sandy Berger to head the Conceptual Frameworkers Union down in the White House basement sends an unmistakable signal to the world: The foreign policy of the United States will be a far cry from the one denounced Oct. 2 by candidate Clinton in Milwaukee.

alarmist insertions from Al Gore about "the very destruction of our planet's life-support system."

don trying force against the Serbs; 18 of the 22 senators who voted nay were Republicans. A conservative Democrat, Representative John Murtha of Pennsylvania, was skeptical about involvement in Somalia.

Curves Ahead for Clinton on the Trade Policy Road

By Hobart Rowen

WASHINGTON — It could have been a defining moment at the Little Rock economic conference: Rudiger Dornbusch of MIT was answering a question from Treasury Secretary-designate Lloyd Bentsen.

policy, and we have not in the past."

But, peter-principled to the CEA, Ms. Tyson won't be the key player for Mr. Clinton on her specialty. She will be preoccupied with broader macroeconomic issues, such as investment, savings, taxes and the budget.

Thank-You Notes for Good Works

By Leslie Gelb

NEW YORK — People actually do find and noble things. So allow this pundit to interrupt the usual flow of complaints and howls and give these holiday bouquets to those whose good works expose words as mere words.

that good politicians can get things done, anywhere. Hundreds of thousands of Germans. When their government seemed stymied by resurgent Nazism, ordinary Germans — 2 million this month alone — took to the streets to protest racism and violence against foreigners.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Dublin Explosion

LONDON — The peace of Dublin was terribly disturbed on Christmas Day by a dynamic outrage of an inconceivable sort in the immediate neighborhood of Dublin Castle, at the rear of the Chief Secretary's Chambers.

1942: King's Message

LONDON — [From our New York edition:] In a Christmas message to British people throughout the world, King George VI stressed the importance of the empire and said the war might have "this value of what we might have lost."

1917: 'Bully Christmas'

PARIS — Thousands of American soldiers and sailors were warmly welcomed and royally entertained at a dozen different places that extended Christmas invitations to them. The feature of the day was the cutting of

INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairmen LEE W. HUEBNER, Publisher JOHN VINOCUR, Executive Editor...

Italian Bank Faces Trial on Iran Loans

Financiers Also Accused in U.S. Case Over Funneling Illegal Funds to Iraq

By Steve Coll Washington Post Service

VENICE—Prosecutors here are preparing for a criminal trial in which they will charge that the Italian bank at the center of controversy in the United States...

Italian prosecutors allege that state-owned Banca Nazionale del Lavoro's senior executives in Rome...

The alleged shipments violated an Italian ban on arms sales to either side in the war. Bank executives and the accused Italian officials...

Questions concerning who knew what about illegal arms trade in the Middle East, and when they knew it...

Japan Politicians Given \$3 Billion

Reviewers

TOKYO—Japanese politicians, perceived as greedy and corrupt after a spate of funding scandals...

The Sagawa affair, Japan's third political funding scandal in four years...



Pope John Paul II, sending out his blessing to the world from Vatican City, condemned those responsible for violence.

In a 'Deaf' World, Pope Calls for Peace

Compiled by Our Staff From Dispatches VATICAN CITY—In an anguished Christmas message, Pope John Paul II pleaded for peace in a world he said seemed "deaf and impenetrable"...

Concerns about violence dampened holiday observances at Bethlehem. But worshippers worldwide also found reasons for optimism...

The fighting in the former Yugoslav republics drew special attention from the Pope, who called on Serbs to lift their siege of Sarajevo...

From the central balcony of St. Peter's Basilica, the Pope inveighed against those responsible for Bosnia-Herzegovina.

Lithuania to Review Pardons of Former Nazi Collaborators

By Stephen Kinzer New York Times Service

VILNIUS, Lithuania—Lithuania's newly elected president says he is ready to review pardons issued to Nazi collaborators by the previous government...

"There are cases where certificates of rehabilitation have already been canceled," the new president, Algirdas Brazauskas, said...

An Israeli investigator who visited Vilnius recently to arrange the coming visit, Efraim Zuroff, head of the Jerusalem office of the Simon Wiesenthal Center...

"There's a new government up there, and it's a new day," Mr. Zuroff said from Jerusalem in a telephone interview...

Helen Joseph, 87, Foe Of Apartheid, Is Dead

New York Times Service

JOHANNESBURG—Helen Joseph, 87, who conducted a long campaign against apartheid, died in Johannesburg on Friday...

For more than three decades, apartheid's rulers sought to turn the often-sailing, always feisty Mrs. Joseph into a housewife...

She was declared a "listed person"—a peculiarly South African punishment supposed to prevent her words from being quoted in any form...

Even when formally silenced, though, she overcame the restrictions, imposed under the Suppression of Communism Act...

Her friends agreed that her enlistment in the Women's Auxiliary Air Force during World War II and her subsequent decision to become a social worker in Cape Town...

Pierre Clafford, 64, the cartoonist who created a world of paunchy elves with droopy hats...

An Ex-Chancellor's Concern for 'Soul of German People'

By Craig R. Whitney New York Times Service

HAMBURG—Helmut Schmidt's eyes and ears may be as sharp as they were when he was chancellor of West Germany 15 years ago...

"The soul of the German people is in danger," he said in an interview at the weekly journal Die Zeit...

What troubles him, he says, is not only the violence against foreigners that has stained Germany's reputation as a peaceful nation...

"I think the government has belatedly done what had to be done—much too late, in my view," said Mr. Schmidt, a Social Democrat...

see how my party, which didn't want to change it, proposed to deal with the massive problem of misuse of the right by hundreds of thousands of people...

and accept the country's 6 million Turkish and other foreign residents as Germans, The Washington Post reported from Berlin.

Mr. Weizsäcker broke with tradition and with the country's elected political leadership by urging that Germans combat anti-foreigner sentiment by making "it easier for foreigners to get citizenship."

Germany excludes foreigners from its mainstream news organizations here for using the term "Turks" to describe the three victims of last month's fatal firebombing of longtime Turkish residents in Mölin, near Hamburg.

"Ten-year-old Yeliz Arslan, was born among us and over lived anywhere else," Mr. Weizsäcker said of one of the victims...

The call for a more liberal citizenship policy is the most direct plea yet by a prominent national figure. The opposition Social Democratic Party also supports citizenship requirements...

Appeal From Weizsäcker President Richard von Weizsäcker has called on Germans to broaden their definition of citizenship...

ANNOUNCEMENTS FRIENDSHIPS EDITH BRIGITTA FAHRENKROG SAY VIE TO A PARTNERSHIP THROUGH THE INTERNATIONAL PARTNERSHIP AGENCY WITH ABSOLUTE PERSONAL ASSISTANCE...

ANNOUNCEMENTS THE HIT IS NOW AVAILABLE IN MANY U.S. CITIES ON DATE OF ISSUE... MOVING interdean INTERNATIONAL MOVES... MOVE Plus THE INTERNATIONAL MOVES...

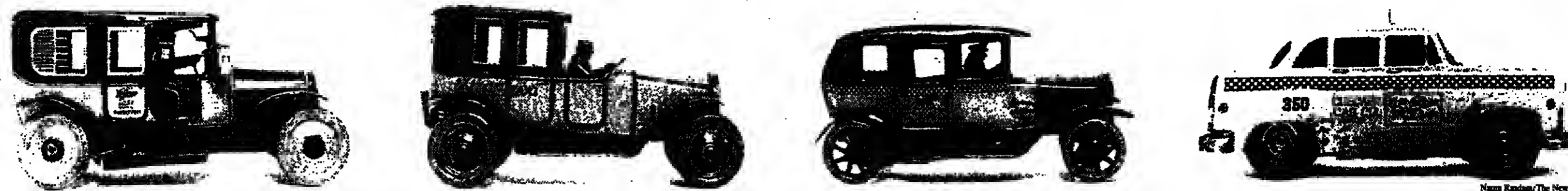
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ART

Saturday-Sunday, December 26-27, 1992 Page 6



From Nathan Willensky's collection of toy taxis, a German model from the mid-1920s, a late 1920s open cab design, a 1924 Checker Cab manufactured in Germany, and a ceramic desk caddy made in 1989 in Pennsylvania.

Taxi? Here's a Show by a Man With 1,500 of Them (Toys)

By Rita Reif

NEW YORK — Nathan Willensky takes taxis almost everywhere he goes, whether working or vacationing in New York City, Los Angeles, Houston, London or Ocho Rios, Jamaica.

Currently, 100 of his artifacts are part of "Great Stuff," an exhibition at the Children's Museum of Manhattan, through August. Willensky's mini-taxis come in the form of toys, cookie jars, pillows, salt-and-pepper shakers and clocks.

Cab Service would pick me up and drive me home in his Checker cab. At age 13, Willensky and six friends would take the train to Manhattan and go by Checker to hear jazz in Greenwich Village.

of Willensky's Yellow Cabs have been produced since 1970, after it became New York City law that all licensed cabs must be yellow and all other cars-for-hire a different color.

The items in his collection have ranged in price from 25 cents for a 1930s postcard depicting a Checker cab to \$9,900 for a toy baggage truck modeled on those made in the 1920s by the Yellow Cab Co. to accompany a hack.

prove frustrating," Willensky said. "There must be 30,000 or 40,000 toy buses. It's almost impossible to collect that many of anything.

A Masterpiece Reassembled

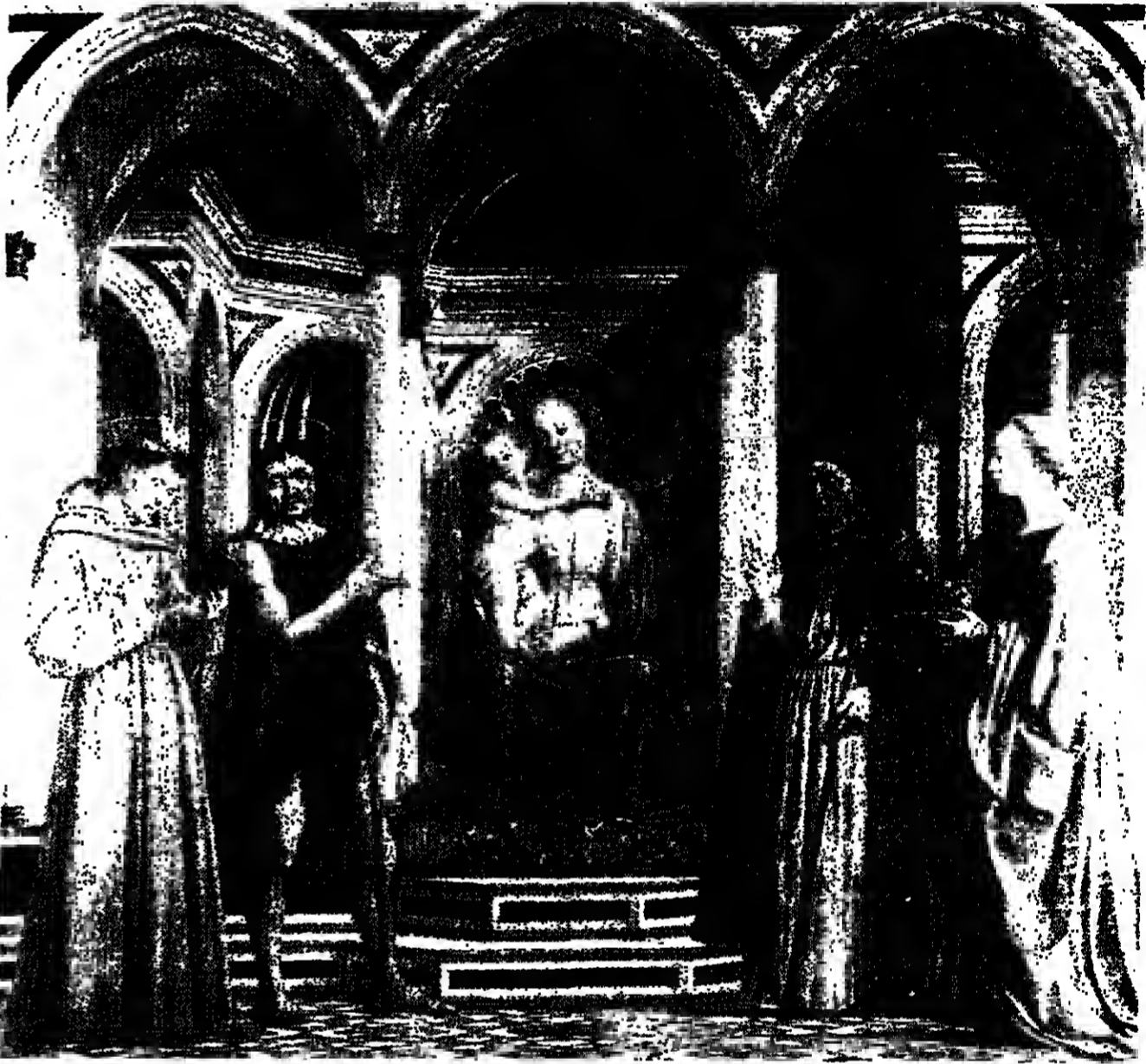
By Matthew Rutenberg

FLORENCE — The Italian art world has ignored the 500th anniversary of Columbus's arrival in America in favor of a series of exhibitions commemorating the deaths in 1492 of two other Italians: Florence's "first citizen," Lorenzo de' Medici, and the painter Piero della Francesca.

and Germany have been brought together. These panels, on their own, have long been considered among the loveliest and most sophisticated paintings of their era. But to see all the elements together is to realize that the altarpiece is even greater than the sum of its parts.

Francesca for some assistance there — the connection that forms the basis for "A School for Piero." These frescoes have all but disappeared; a couple of scarcely revealing fragments are in the current show.

The St. Lucy altarpiece came later. It is usually dated around 1445-47, by which time Piero's style was fully formed, and he had little contact with Florence. So the centerpiece of the exhibition has little to do with its ostensible theme.



The main panel of the St. Lucy altarpiece by Domenico Veneziano.

The Lorenzo di Piero is culminating in a huge display here at the Palazzo Strozzi. Yet a small show at the Uffizi through Jan. 10 — "A School for Piero," which seeks to demonstrate Piero's debt to Florentine art — is especially rewarding because it reunites one of the most important monuments of the early Renaissance, the St. Lucy altarpiece by Domenico Veneziano.

The rocky Apennine wilderness in which the saint stands is striking in its austerity. In "The Miracle of St. Zenobius" a predella panel depicting a dead boy being revived by the city's other patron saint, the hysterical grief of the child's mother is echoed by the "Dr. Caligari"-like architecture.

The 16th-century art historian Giorgio Vasari claimed that Domenico brought the secret of working in oil paints from Venice to Florence.

The altarpiece originally stood behind the main altar of the Church of Santa Lucia de' Magnoli in the Pitti Palace in Florence.

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Georgia O'Keeffe and Alfred Stieglitz: Together Again

By Hank Burchard

WASHINGTON — Georgia O'Keeffe and Alfred Stieglitz: together again! The Phillips Collection has opened the first joint exhibition of her paintings and his photographs since 1924, when the maturing artist and her aging mentor were married.

while he boosted her career, she revived his. O'Keeffe was a 20-year-old Virginian studying at New York's Art Students League when she first met Stieglitz, 44, in 1908 while visiting his famous 291 gallery, which at that time was the tip of the leading edge of the American avant-garde.

Stieglitz was 31, just coming into her full powers. He was 55, and hadn't done any really notable work for decades. If O'Keeffe were energized by their relationship, Stieglitz was positively galvanized, producing series after series of photographs of O'Keeffe and clouds.

WHILE teaching in South Carolina, Chicago, Texas and the University of Virginia, O'Keeffe developed a bare-bones abstract style that was entirely original and far ahead of anything being done by her male contemporaries.

In 1916 she sent 10 charcoal drawings to her friend, who showed them to Stieglitz, who seized them and put them on display in his 291 gallery without O'Keeffe's knowledge or consent. O'Keeffe went to the gallery and demanded that Stieglitz take them down. He either charmed or overpowered her, and they stayed up.

As one follows the chronology of their work, presented at the Phillips with spare precision, it becomes inescapably apparent that this is a case of a big talent being overtaken and overshadowed by a bigger one.

ART EXHIBITIONS

COLE MORGAN recent paintings. GALLERY SONIAK, 3, rue Keller, Paris. Tuesday-Friday 14:00-18:00, Saturday 11:00-19:00.

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MARKET DIARY

Mark Moves Lower As Dollar Gains

Compiled by Our Staff From Dispatches TOKYO — The Deutsche mark lost strength in light trading Friday in Tokyo, the only major foreign-exchange market open on Christmas Day.

The dollar rose to 1.5980 DM from 1.5910 DM at the Thursday

Foreign Exchange

close, although it slipped to 123.65 yen from 123.67 on Thursday.

A currency dealer with Chemical Bank in Tokyo said there was some dollar buying by Japanese banks, but trading remained quiet as many overseas financial markets were closed for the Christmas holiday.

Observers noted the dollar has been making gains against the mark. "The mark is showing a soft-side, finally succumbing to the last few weeks' dollar bullishness," said John Lilley, currency analyst at MMS International.

The mark has been undercut by comments on Tuesday from Hel-

mut Schlesinger, the Bundesbank president. He implied that German interest-rate cuts might be forthcoming in the near-term, which would be a relaxation of the central bank's monetary policy in its campaign against inflation.

An interest-rate cut by the Bank of Italy on Tuesday also brightened the outlook for the dollar. Italy, which has withdrawn the lira from the European Monetary System's exchange-rate mechanism, is seeking to boost its economy.

The mark's weakening was also apparent against the Japanese currency. It fell to 77.3 yen from 77.3 on Thursday.

While currency traders are pondering the likelihood of a Bundesbank rate cut, a similar Japanese move is deemed unlikely.

"It is difficult to see any reason why the Bank of Japan should cut its discount rate at the end of this year like it did last year," a money trader said.

(Bloomberg, Reuters, UPI, AP)

Traditional Favorites Lead Wall Street Rally

Compiled by Our Staff From Dispatches NEW YORK — Bargain-hunting among blue-chip issues led Wall Street stocks higher on Thursday, with the market's sometime bellwether IBM providing a lift.

A rise in AT&T also boosted sentiment, the market was closed Friday for Christmas, and trading ended at 2 P.M. on Thursday in advance of the holiday.

The Dow Jones industrial average climbed 12.70 points, to 3,326.34. Advancing issues topped decliners

N.Y. Stocks

by a 4-3 ration on the New York Stock Exchange, where volume was just 55.17 million shares, down from 27.98 million on Wednesday.

"Stocks usually rise the day before Christmas and tend to be no different," said Daniel Marciano, senior vice president in charge of equity trading at Dillon, Read & Co. The stock market has risen about 70 percent of the time on Dec. 24 since 1945.

International Business Machines Corp. gained 1/4 to 52 1/2 after the recent sell-off that took the computer maker to a 17-year low, while American Telephone & Telegraph

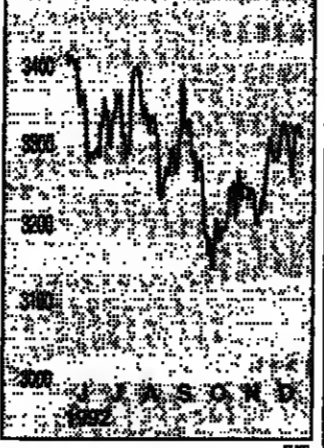
Issue, easing 1/4 to 22 1/2 on lingering concerns about the company's earnings outlook. An analyst at Smith Barney, Harris Upham & Co. issued a critical report on the pharmaceutical group. In the report, Christian Heuer said worldwide prescription sales are eroding and expansion in profit margins is stalled.

Other drug companies also were lower. Merck & Co. fell 1/4 to 44 1/2, SmithKline Beecham declined 1 1/2 to 37 1/2. Schering-Plough fell 1/4 to 64 1/2, Warner-Lambert declined 1/4 to 68 1/2, and American Home Products Corp. slid 1/4 to 69 1/2.

Bristol-Myers Squibb Co. rose 1/4 to 68 1/2. A jury order Bristol-Myers to pay \$25 million to a woman who claimed she was left sick and disfigured by ruptured silicone gel breast implants. She had been seeking \$64.3 million in damages.

In over-the-counter activity, Novell was the most active issue, rebounding 1 1/2 to 27 1/2 after a three-day slump. (Bloomberg, UPI)

The Dow



Daily closing of the Dow Jones industrial average

Dow Jones Averages

Table with columns: Index, High, Low, Last, Chg. Includes S&P 500, NYSE, and NASDAQ indices.

Standard & Poor's Indexes

Table with columns: Index, High, Low, Last, Chg. Includes Industrials, Chemicals, and Utilities.

NYSE Most Actives

Table with columns: Vol., High, Low, Last, Chg. Lists active stocks like IBM, AT&T, and others.

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Table with columns: Vol., High, Low, Last, Chg. Lists active stocks like IBM, AT&T, and others.

NASDAQ Most Actives

Table with columns: Vol., High, Low, Last, Chg. Lists active stocks like Novell, Intel, and others.

NASDAQ Most Actives

Table with columns: Vol., High, Low, Last, Chg. Lists active stocks like Novell, Intel, and others.

EUROPEAN FUTURES

Table with columns: Class, High, Low, Prev. Close, Chg. Lists futures for SUGAR, COFFEE, and SOYBEANS.

Stock Indexes

Table with columns: Index, High, Low, Close, Change. Lists FTSE 100, Nikkei, and others.

Spot Commodities

Table with columns: Commodity, Today, Prev. Lists various commodities like Wheat, Soybeans, and Corn.

Dividends

Table with columns: Company, Per Annu, Div. Rec. Lists dividend-paying companies.

Financial

Table with columns: Index, High, Low, Close, Change. Lists financial indices like 3-MONTH STERLING.

U.S. FUTURES

Table with columns: Grain, High, Low, Close, Chg. Lists futures for WHEAT, CORN, and SOYBEANS.

Metals

Table with columns: Metal, High, Low, Close, Chg. Lists futures for COPPER, ALUMINUM, and ZINC.

Livestock

Table with columns: Livestock, High, Low, Close, Chg. Lists futures for CATTLE and PORK.

Food

Table with columns: Food, High, Low, Close, Chg. Lists futures for COFFEE and SUGAR.

Financial

Table with columns: Index, High, Low, Close, Change. Lists financial indices like U.S. TREASURY.

Stock Indexes

Table with columns: Index, High, Low, Close, Change. Lists various stock indices.

Commodity Indexes

Table with columns: Commodity, High, Low, Close, Change. Lists various commodity indices.

First Boston Leads in Merger Advice

NEW YORK (Bloomberg) — First Boston Corp., the U.S. securities unit of Switzerland's third-largest bank, and its affiliates in Europe and Asia were the leading advisers in mergers and acquisitions completed this year, according to a preliminary survey by IDD Information Services.

The total value of mergers in 1992 declined to \$216 billion from \$225 billion in 1991, according to IDD. In 1990, the value of mergers totaled \$314 billion, IDD said.

Lockheed Broaches Russian Venture

SUNNYVALE, California (UPI) — Lockheed Corp., seeking to become a leading player in the satellite business, is preparing to announce a major venture with the Russian Khrushchev weapons factory, a spokesman said.

The deal, announced Thursday is part of a plan by Lockheed's Space Systems Division to double its revenue, to \$5 billion, over the next eight years. The division has about 8,500 employees and hopes to boost that to 2,500 by the year 2000, moving the employment level back to the 1987 figure.

Details of the Russian pact were not immediately available.

OTC Short Sales Slip but Stay High

NEW YORK (NYT) — The number of over-the-counter shares sold short and not yet covered fell slightly between mid-November and mid-December but remained at a relatively high level, the National Association of Securities Dealers said.

Short interest in all Nasdaq securities totaled 455.8 million shares in the period, down less than 1 percent from the previous period's level of 458 million, NASD said Thursday. But the number of companies in which shares were sold short in the period grew to 3,728 from 3,650.

In spite of the slight decrease, the most recent level reflects the record-breaking drives upward in short-interest levels throughout most of this year. The Nasdaq short-interest level is almost 22 percent higher than in April, when the record-setting trend began. Figures on interest in short-selling are a widely watched gauge of investor sentiment, since they reflect the activities of professional sellers who specialize in identifying companies they consider overvalued.

Time Runs American Express Titles

NEW YORK (NYT) — Time Inc. has agreed to assume management responsibility for American Express Co.'s two main magazines, the companies said.

The agreement, about which the magazine industry has been speculating for months, involved two American Express magazines, Travel & Leisure, with a circulation of 1.1 million, and Food & Wine, with a circulation of 803,000.

One question raised about the agreement, revealed Wednesday, involved the extent to which Time would have access to American Express data for renewing and selling subscriptions to its own magazines. Neither company would provide that.

Honeywell Chief of Finance Quits

CHICAGO (NYT) — Honeywell Inc. said that Christopher J. Steffen, its chief financial and administrative officer, had resigned to pursue other interests.

The 50-year-old executive, whose departure on Wednesday was unexpected, was popular on Wall Street and was credited with playing a major role in restructuring the Minneapolis-based company into a more profitable concern.

News of his resignation sent Honeywell's stock tumbling, closing down \$1.25 a share on Thursday, to \$32.25, with more than 1.3 million shares traded on the New York Stock Exchange.

Tokyo Stocks Slip on Index Trading

Compiled by Our Staff From Dispatches TOKYO — Stock prices fell slightly on Friday, with index-linked selling the most notable feature in light trading on Christmas Day.

The Nikkei average of 225 selected issues shed 91.81 points, or 0.52 percent, to 17,557.04 after losing 41.82 points Thursday. The broader-based Tokyo Stock Price Index, which lost 0.30 points Thursday, closed at 1,341.82, down 8.34 points.

Volume was estimated at 180 million shares, down from 231 million on Thursday, and declines led advances 586 to 337, with 213 issues unchanged.

Traders said the low volume left the market vulnerable to basket-dealer, however small, allowing institutional traders to dictate the direction of the index at the close.

"Just before the end, we had a small sell program," said Philippe Huber, trader at UBS Phillips & Drew International. "If we had had a buy program, we would probably have ended flat."

Thai Stocks Advance

The Stock Exchange of Thailand index gained 3.11 points in moderate trading Friday to close the week at 872.11 points, news agencies reported from Bangkok.

"Technically, the market starts to show good signs since the index is moving up with increased trading volumes," said a broker at Ekachart Finance & Securities Co.

A generally favorable political climate contributed to the rise, a broker said. The main reason for the rise, however, was investors pushing up the index in order to take profits, he said.

"Some investors have been attempting to push prices up as much as possible, in order to cash in and settle bank overdraft accounts before the year's end," he said.

WORLD STOCK MARKETS

Table of world stock markets including Amsterdam, Brussels, Johannesburg, London, Montreal, Paris, Sydney, and Hong Kong.

Table of Tokyo stock markets including various indices and individual stock prices.

U.S. FUTURES

Table of U.S. futures markets including Grains, Metals, Livestock, Food, and Financial.

U.S. / AT THE CLOSE

Table of U.S. market closing data including Stock Indexes, Commodity Indexes, and various market indicators.

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EUROPE

ASIA/PACIFIC

Rate Falls Expected In Italy

Bloomberg Business News
MILAN — Interest rates are likely to tumble in Italy next year as policymakers get to grips with domestic recession, analysts said.

Pushing the economy into a higher gear will take precedence over efforts to drag the lira back into the exchange-rate mechanism of the European Monetary System, the analysts said.

Italy will be making internal problems its priority, said Roberto Conditumari, an analyst at Cominas Credit Lyonnais.

Tuesday's move by the Bank of Italy to cut its discount rate one point, to 12 percent, is expected to be repeated several times in 1993 as the Bank of Italy makes preventing a deep recession its primary task.

"They are going into a recession in Italy and they need to cut rates. It's as simple as that," said George Pilla, an analyst at IDEA Ltd. in London.

Falling interest rates would delay the lira's re-entry to the ERM because it would make the currency difficult to control. But economists think the Italian government no longer wants to get back in quickly.

The lira was suspended from the ERM on Sept. 17 when it became impossible to defend its levels. Italy's economy is expected to grow just 0.8 percent next year.

Given an expected one-point cut in German rates at some point, the Bank of Italy's discount rate on loans to banks should be at 10 percent by next summer, Mr. Pilla said.

Analysts said the rate cut was prompted by several factors, among them estimates the annual inflation rate would fall to 4.7 percent in December, its lowest in four years, while industrial production would slide 6.1 percent in that month from the level a year ago.

In addition, Parliament approved the 1993 budget on Tuesday, which was seen as a prerequisite for lower rates, and the lira has stabilized.

"There was room for the Bank of Italy to cut," said Oreste Gallo, an economist at San Paolo Bank.

Commercial banks next year are also expected to be more prompt in bringing their lending rates down along with the Bank of Italy's.

Throughout the autumn, commercial banks resisted cutting their own lending rates even though the central bank was cutting the rate at which it lends to the banks.

On Tuesday, Italy's major banks responded quickly to the Bank of Italy's move, cutting their prime rates one point, to 13.5 percent.

Investor's Europe

Table with columns for Exchange, Index, Thursday Close, and % Change. Includes data for London (FTSE 100), Paris (CAC 40), Frankfurt (DAX), and others.

Sources: Reuters, AFP

Mazda, Isuzu Plan Engine Tie

TOKYO — Reaching outside their corporate families to weather a recession, Isuzu Motors Ltd. and Mazda Motor Corp. said Friday they were discussing a diesel-engine supply link.

Under the agreement, Isuzu will supply diesel engines to Mazda's new small-sized passenger car scheduled for 1993 production, spokesmen said.

Isuzu said last week it would suspend production of passenger cars, reflecting the weak domestic auto market. It subsequently reported that it had its second consecutive unprofitable financial year in the 12 months through October.

Now that Isuzu is suspending passenger-car production, the company will try to focus on commercial and recreational-vehicle production and auto-component sales, including engines, its spokesman said.

A Mazda spokesman denied Japanese press reports that the companies were planning a wider affiliation that would include a merger of their keiretsu, the Japanese corporate groupings linked through interlocking shareholders.

Industry analysts said the diesel alliance would help Mazda, Japan's No. 4 automaker, trim development costs. Isuzu, the No. 9 automaker, will be able to strengthen its financial position through sales of its diesel engines, they added.

Currently, Mazda uses its own diesel engines in its passenger and commercial vehicles. But faced with the twin pressures of sluggish auto sales and a tight financial market, Mazda decided to join with Isuzu in an effort to cut engine development costs, analysts said.

A Mazda spokesman said the company chose Isuzu for its well-reputed diesel engines.

Investor's Asia

Table with columns for Exchange, Index, Thursday Close, Prev. Close, and % Change. Includes data for Hong Kong (Hang Seng), Singapore (Straits Times), Tokyo (Nikkei 225), and others.

Sources: Reuters, AFP

A Humbled Hyundai Hopes Kim Will Let It Get Back to Business

By Paul Blustein
Washington Post Service
SEOUL — The Hyundai group is through with politics. From now on, Hyundai's 120,000 employees will concentrate solely on doing the things that they normally do, making products such as cars, computers and ships.

That was the message from Hyundai's high command this past week, after the defeat of the group's founder, Chung Ju Yung, in South Korea's presidential election on Dec. 18. It seemed like a wise thing to say under the circumstances.

Twenty-seven Hyundai executives are hiding from the police because they fear being charged with illegally funneling corporate cash to Mr. Chung's campaign. On Wednesday, the head of Hyundai Petrochemical Co. was arrested at Seoul's airport and the police reportedly were close to arresting other top executives for allegedly improper activities on Mr. Chung's behalf.

The developments are the latest in a bizarre battle between the government's ruling clique and the nation's largest chaebol, or conglomerate. Its reverberations are likely to be felt for years because the scandal has exposed some of the most troubling features of the South Korean economic miracle, particularly the pervasive power of the government to bully companies and individuals and the pervasive power of the chaebol to influence the nation's politics.

The initial source of the conflict — a financial dispute between Mr. Chung and the government — has faded into insignificance. What matters now is the fierce power struggle that ensued as Mr. Chung, 77, backed by legions of loyal Hyundai employees, sought the presidency as a third-party candidate on a platform of reducing the government's control over business.

He concentrated most of his fire on the ruling party candidate, Kim Young Sam, whom he called a "thick-headed idiot," and he told aides that even if he lost, he hoped to garner enough conservative votes to deny Mr. Kim the presidency. But Chung's alleged massive improprieties by Mr. Chung and Hyundai, and Mr. Kim won handily.

The episode's ultimate impact may be significant, perhaps for both Hyundai and the government, because it showed the chaebol and the authorities at their power-wielding worst. In that respect the scandal could speed reforms that many neutral analysts consider to be desirable.

South Korean authorities are well-known for exercising bureaucratic clout in ways most cultures would find intrusive. For example, Seoul periodically conducts "austerity" drives in which people who engage in conspicuous consumption — buying a Mercedes-Benz car, taking an overseas vacation — are targeted for tax audits.

In Mr. Chung's case, the government seemed to be using its bureaucratic powers against Hyundai when he was enjoying a surge of political support. Last spring, when Mr. Chung's new United People's Party was threatening to win a large number of seats in the legislature, Hyundai found itself in a sudden cash squeeze because its credit lines had been suspended by Korean banks — whose presidents just happen to be appointed by the government.

In late autumn, when Mr. Chung was rising fast in the presidential polls, Hyundai executives were put under police surveillance. Government agents arrested more than a dozen Hyundai employees on suspicion of illegally funneling contributions to Mr. Chung's party.

The authorities did not aggressively investigate other chaebol for evidence of donations to the ruling party, however, even though such practices are believed to be widespread.

But Hyundai's protestations of innocence did not convince many Koreans. Government investigators gathered documents purporting to show that millions of dollars belonging to Hyundai stockholders was siphoned off to help Mr. Chung's campaign.

The upshot was a voter backlash that contributed to Mr. Chung's disappointing 16 percent finish in the election. The voters gave an emphatic answer to Hyundai and Mr. Chung; they don't want to put so much political power in the hands of the chaebol," said Yoo Yoo Jin, senior economist and editorial writer at the Maeil Kyungje, a South Korean business newspaper.

Very briefly:

- France will issue about 220 billion francs (\$41 billion) of long-term Treasury bonds, or OATs, in 1993, the Finance Ministry announced, and around 190 billion francs in medium-term bonds, known as BTANs.
Italy had a balance-of-payments surplus of 3.33 trillion lire (\$2.4 billion) in November, against a deficit of 3.76 trillion lire in November 1991, the Central Statistics Institute said. For the first 11 months of 1992, the balance-of-payments deficit stands at 45.52 trillion lire.
Russia will put three nuclear reactors, with power ratings of 1,000 megawatts each, into service by 1995, the Russian cabinet has decided.
LOT, the Polish airline, said it had taken delivery of four new Boeing 737-500 medium-haul aircraft; the airline now has three Boeing 767s, six 737s, five ATR-72s, six Tupolev-134s and 14 Tupolev-154s.
The Bank of Ireland cut its call-money rate to 14 percent from 16 percent, a central bank spokesman said. The move follows a reduction in downward pressure on the punt and reduced tensions within the exchange-rate mechanism of the European Monetary System.
Turkey's foreign trade deficit in the first 10 months of 1992 widened by 4.3 percent, to \$6.22 billion, the State Institute of Statistics said.

Thomson Can Shift SGS Stake

PARIS — Thomson-CSF, the state-controlled electronics company, will have an option to transfer its stake in the SGS-Thomson Microelectronics BV venture with Italy to two government agencies as part of a recapitalization of the unprofitable computer-chip maker.

France and Italy are to each contribute \$500 million to recapitalize SGS Thomson. The French side of the deal is expected to be finalized "within a few days," Thomson-CSF, which is 60 percent state-owned, said Thursday. Half will be contributed next year, the rest in 1994.

Thomson-CSF said it would have an option in 1997 of assigning its shares in SGS-Thomson to a holding company called FT2C. FT2C will be owned by another holding company, FTIC, which is to be 51 percent owned by the government's CEA Industrie, with the rest held by France Telecom, the state telecommunications concern.

Very briefly:

- Nissan Motor Co.'s senior debt rating has been lowered to A from A-plus by Standard & Poor's Asia, which cited lower operating efficiency of the automaker resulting from reduced sales and increased competition.
Japan's semiconductor industry is expected to recover in the first half of 1993, the Ministry of International Trade and Industry said, forecasting strong demand for chips in the United States and Southeast Asia.
The Bank of Tokyo plans to open a branch in Ho Chi Minh City, according to press reports from the southern Vietnamese city.
Japanese crude-oil imports totaled 21.32 million kiloliters in November, up 9.5 percent from November 1991.
Taiwan's M-2 money supply rose by 17.9 percent in November from November 1991, the central bank said, slower than an 18.2 percent rise in October and 18.5 percent in September.
Hyogo Bank Ltd. President Minoru Yamada said in Kobe that 60 percent to 70 percent of the bank's 88 creditors had agreed to extend support to its 10 troubled nonbank affiliates.
Woo Hing Brothers Bhd., a Malaysian retail retailer, said it would offer for sale 2.34 million shares at 2.34 ringgit (90 U.S. cents) in an initial public offering.

Beijing Lofts Recriminations

BEIJING — China blamed Hughes Aircraft Co. on Friday for the apparent loss of an Australian communications satellite, after the General Motors Corp. subsidiary indicated the Beijing rocket that was to place it in orbit exploded.

Criticizing "some foreign reports that are not true to facts," the vice president of China Great Wall Industrial Corp., Chen Shouchun, said, China had played its part perfectly in putting the \$138 million Optus B2 satellite, built by a Hughes subsidiary, into space on Monday.

Hughes Space & Communications Co. of Los Angeles has said its engineers spotted a fireball 48 seconds after launch that apparently blew up the satellite or rocket. They have located debris that appears to be from the satellite and the Long March 2E launch vehicle, but still do not know what caused the satellite's failure.

NASDAQ

Thursday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

NASDAQ table with columns: High, Low, Stock, Div, Yld, PE, Bid, Ask, High, Low, Last, Chg, Vol.

NASDAQ table with columns: High, Low, Stock, Div, Yld, PE, Bid, Ask, High, Low, Last, Chg, Vol.

NASDAQ table with columns: High, Low, Stock, Div, Yld, PE, Bid, Ask, High, Low, Last, Chg, Vol.

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NASDAQ table with columns: High, Low, Stock, Div, Yld, PE, Bid, Ask, High, Low, Last, Chg, Vol.

MONEY

FIRST COLUMN

If Oil Falls, The Bravest Will Profit

Do you've digested your Christmas dinner. Now there are other, more dangerous appetites to satisfy...

'Bottom-Up' Optimism on Stocks Company Analysts See Good Growth in 4 Major Markets

By Philip Crawford

DESPITE economists' gloomy predictions for global markets in 1993, a recent survey shows that financial analysts are forecasting healthy earnings growth for four of the world's top five stock markets.

Melissa Brown, a quantitative specialist at Prudential Securities Research in New York. "Inflation is low and volume growth is up, but not up dramatically. You need big growth in revenues if you're going to get that kind of growth in earnings."

as likely to drag the country's earnings down. "We think overall earnings will be down between 1 and 2 percent," said Shozo Ishibashi, associate managing director of Tokyo-based Nomura Research Institute.

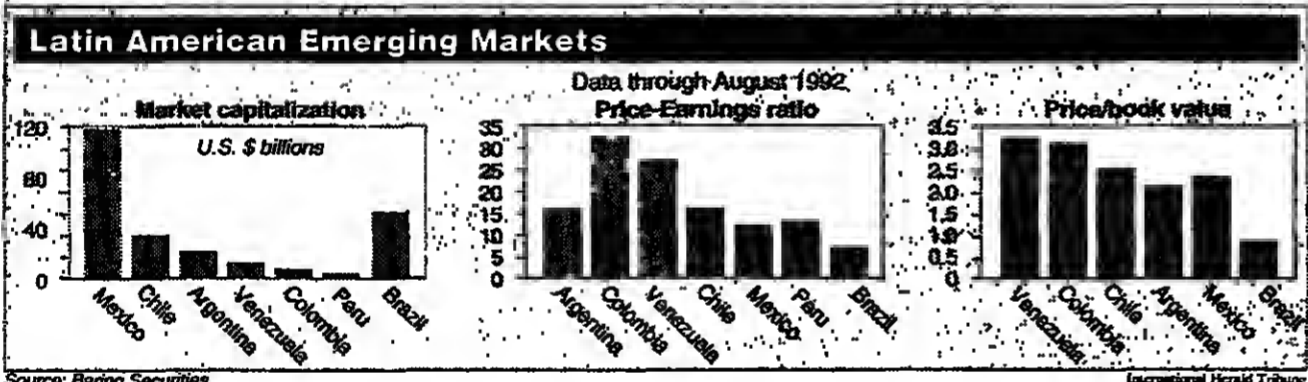
Seeking the Big Earners for the New Year

Estimates for earnings per share growth and average price-earnings ratio for companies listed on stock exchanges, by country and worldwide by industry sector.

Table with columns for Country, Growth of earnings, P/E, and Industry sector. Rows include United States, Britain, France, Japan, Germany, and various industry sectors like Transportation, Consumer durables, etc.

Source: IBES Inc. International Herald Tribune

although the survey's prediction of 25 percent earnings growth is, again, seen by many as too high. Some view Britain as having at last turned the corner toward recovery.



Latin America After the 'Lost Decade'

By Karina Robinson

THIS new year, like many before it, promises profit and pitfalls for Latin American investors. Those who have committed to markets such as Mexico and Chile in recent years will have been well rewarded, but the old maxim that there is no profit without risk is well illustrated by the delicate business of investing in the region.

rate risk is 400-500 basis points over Treasuries. "It is not only U.S. investors who are interested in Latin America. Europeans are being tempted as well by high yields and the general emerging-markets vogue."

llamar Franco's more dirigiste policies are making investors even more wary of an already unstable situation. "Other markets have reached valuations that are broadly okay," said Richard Watkins, chief executive of Latinvest Securities in London.

The Long and the Short of Hedge Funds

By Rupert Bruce

JUST seven months after opening the doors of his new two-room office in London's West End for business, Crispin Odey, managing director of Odey Asset Management, is looking after \$150 million — more than some investment managers would dream of attracting in a lifetime.

the price is about to fall, he can also profit by taking a short position. When a hedge fund manager chooses to manage a fund by taking both long and short positions, as most do, it tends to be less volatile than a traditional long fund.

agement is the largest hedge fund manager in the United States. But, while U.S. hedge funds are prospering right now, they suffered some catastrophic losses in the bear market of the early 1970s.

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Other multinationals may well be following suit. One of the latest Brazilian bond issues was for Banco Sudameris, which is a subsidiary of a European bank.

Chile is a very different case. Even before the democratically elected government of Patricio Aylwin came to power three years ago, its macroeconomic policies, under the influence of the Chicago School, were unusual in Latin America.

Period-Ricard Launches ADRs on a U.S. Exchange. Americans who never quite managed to acquire a taste for France's anise-flavored Period now have a more palatable — and hopefully profitable — approach to consider.

A Smile on the Credit Card Discourages Plastic Fraud. U.S. credit card holders may find themselves smiling for the camera in 1993. The reason? After Citibank, the nation's largest issuer of bank credit cards, started using photos on their plastic last April, losses from fraud dropped 67 percent in the New York area alone.

Amex Goes International With Frequent Flyer Plan. The frequent flyer program, once a predominantly American phenomenon, is spreading its wings, courtesy of American Express. Holders of an Amex charge card booking flights with Aeromexico in Mexico and Qantas in Australia can now accumulate frequent flyer miles if they purchase tickets using their cards.

THE MONEY REPORT

Lift for Ski Resort Market

By Aline Sullivan

THE market for investing in ski resorts, for many years hopelessly illiquid, shows signs of thawing as entrepreneurs in North America and Europe look for ways to exploit a growing enthusiasm for the sport worldwide.

The first boom in ski resort development took place in the early 1960s, when resorts such as La Plagne in France and Whistler in British Columbia geared up to meet the demands of mass tourism. Thirty years on, a new wave of development is taking place as resorts invest in the means to gain competitive advantage in the 1990s: snow-making equipment, new and refurbished restaurants, better chalets.

In the process, traditional patterns of ski resort ownership are changing. In France in the 1960s, local municipalities commonly funded ski resort development with the aid of low interest loans from the government. Subsequent green winters and economic recession pushed many of these resorts into bankruptcy, making them the responsibility of the state-run Caisse des Depots.

Today, private-sector firms such as the construction giant Spie Batignolle, which owns Valmorel in the French Alps, are carving some resorts up and selling them off to private investors. The French bank Credit Lyonnais last month bought Flaine, a medium-sized resort created by Eric Bouissommas, who discovered the area in 1959 on an exploratory ski tour.

Swiss and Austrian ski resorts are mostly owned by regional government authorities and managed by independent ski lift companies, shares of which are listed on local stock markets. These resorts are also in need of modernization. They are just strapped for cash when their French counterparts but powerful environmental lobbies in

both countries have been successful in blocking development.

Expectations of increased interest in the sport have also boosted development of European resorts far from the Alps. In recent years, record numbers of skiers have visited resorts in Scandinavia, the Pyrenees and Eastern Europe. In Scotland, there is scope for at least two more ski resorts in addition to the existing five, according to a recent report by the Scottish Sports Council.

Again, a funding crunch looms. Aviemore, which accounts for about half the skiing market in Scotland, needs to raise at least £10 million (\$16 million) in the next five years to replace equipment and add new facilities, said Tom Whitmore, manager of the Cairngorm Chairlift Co., which runs much of the Aviemore resort.

"We would welcome private capital now," said Mr. Whitmore. "Without the money, we will become less attractive to skiers." Aviemore, which is currently owned by a nonprofit trust and receives about 20 percent of its funds from government contributions, makes on average between £200,000 and £300,000 a year.

However, most European ski resorts remain firmly in the hands of local authorities. Investors hoping to participate in the market will find it easier in North America, where investments are more liquid and property prices have dropped dramatically following big gains during a spate of Japanese investment in the 1980s.

One of the biggest publicly traded resort operators is Vermont-based S-K-I Ltd., which runs three major U.S. resorts, two in Vermont and one at Bear Mountain in Southern California. The company is quoted on the Nasdaq stock exchange and has over 3,000 shareholders.

According to S-K-I's president, Preston Frey, the number of skiers at the company's three resorts is up 19 percent so far this

year from the same period last year. "There seems to be a great deal of excitement about skiing in our markets right now and we are looking forward to a strong season," he said.

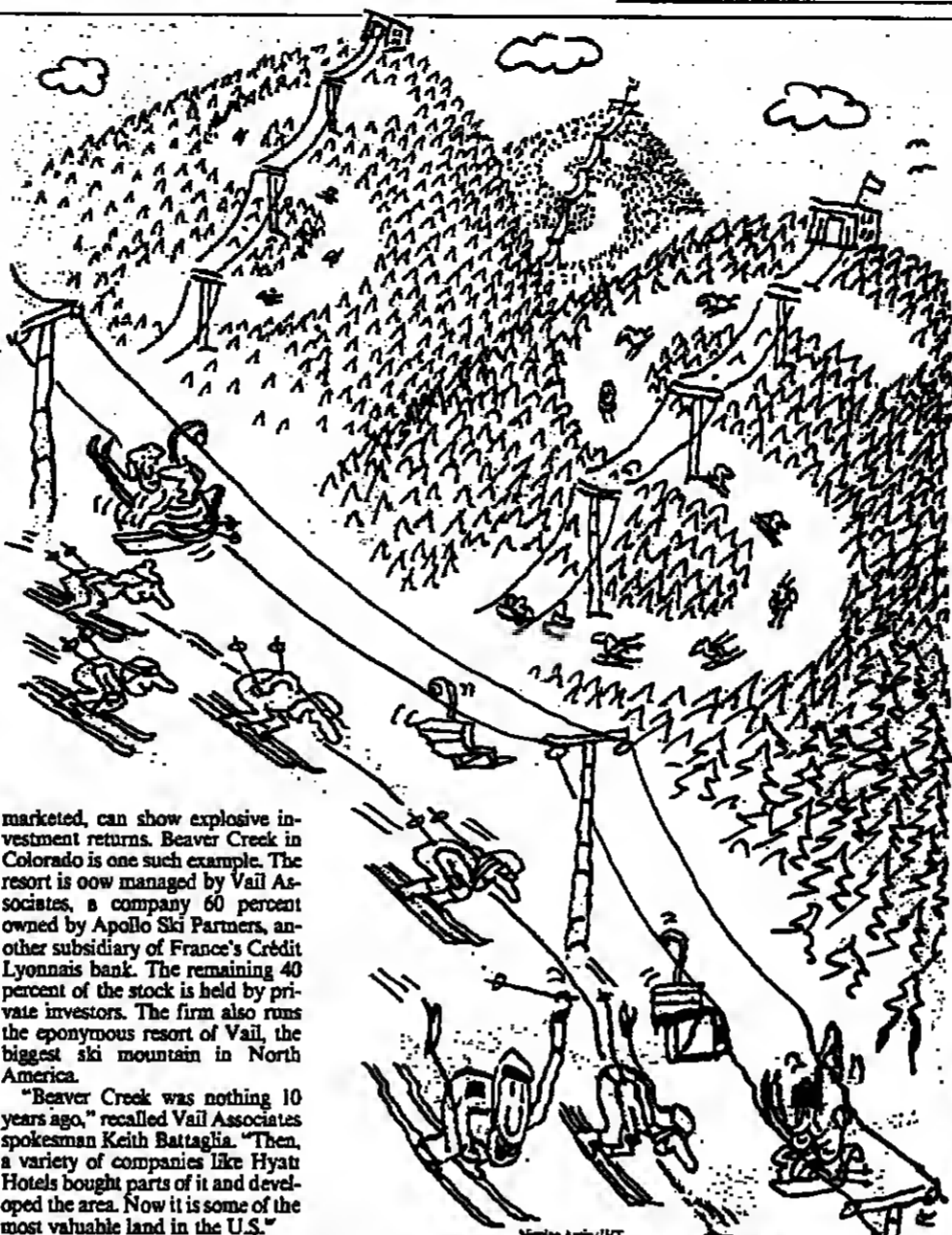
S-K-I's shareholders received a modest dividend rise in the year to the end of November 1992, from 9 cents last year to 10 cents, as their reward for the boom in business at the company's resorts. The company says it has reinvested much of its profits in recent years and soon expects to pay higher dividends. Killington, S-K-I's biggest Vermont resort (Mount Snow is the other), boasts the longest ski season of any resort in North America, thanks to its state-of-the-art snow-making equipment.

An analyst's report earlier this month by Value Line Publishing appears to support Mr. Smith's optimism. S-K-I has a "wide potential market," the report said. However, it cautioned that investors may want to wait for a rise in earnings before making a substantial commitment to the company.

Other publicly traded ski resort companies in the United States are Great American Recreation Inc., which owns Vernon Valley and Great Gorge in New Jersey; and Blue Ridge Construction Co. in Blakeslee, Pennsylvania, which owns the Big Boulder and Jack Frost ski areas.

In Canada, Mont Saint Sauveur International in Quebec owns the Jay Peak in Vermont and Mont Habitant and Mont Saint Sauveur in its home province. Corporation de Developpement Intra-west in Vancouver owns Blackcomb and Whistler Mountains in British Columbia.

The challenge facing many of these companies is to convince investors to shrug off the gloom that has settled on much of the North American real estate market in recent years, and invest in the future. They can cite plenty of evidence to suggest that high quality ski areas with up-to-date amenities, well



marketed, can show explosive investment returns. Beaver Creek in Colorado is one such example. The resort is now managed by Vail Associates, a company 60 percent owned by Apollo Ski Partners, another subsidiary of France's Credit Lyonnais bank. The remaining 40 percent of the stock is held by private investors. The firm also runs the eponymous resort of Vail, the biggest ski mountain in North America.

"Beaver Creek was nothing 10 years ago," recalled Vail Associates spokesman Keith Battaglia. "Then, a variety of companies like Hyatt Hotels bought parts of it and developed the area. Now it is some of the most valuable land in the U.S."

Mr. Battaglia said there are currently no plans for a public share offering. However, there are opportunities to invest in nearby land, he said.

Expatriate Pay Packages Need More Homework

By Tony Wakeford

A FREQUENT problem with expatriate assignments to hardship posts, and one that often is not resolved early enough, is how to structure an appropriate compensation package.

Take the hypothetical case of Universal Inc., for example. The company wants to send Mr. Expatriate to manage its plant in Erewhon for some three or four years. Erewhon has a high rate of personal income tax and very strict exchange controls. It is a difficult and hostile environment in which to live and work, and Mr. Expatriate had to be given a significant cash incentive to go there.

So he asks the personnel director of Universal how he can structure a package to build up worthwhile personal savings in a hard currency outside of Erewhon.

The usual solution is a sensible remuneration package onshore in the host country, to enable Mr. Expatriate to meet the costs of having a reasonable life there, and some additional remuneration offshore, out of which he can save. That's where the trouble starts. It is a fairly safe assumption that Mr. Expatriate will become resident of Erewhon for tax reasons, and that when he files his tax return there, he should report his worldwide income. But for most expatriates, this reporting will not actually happen so far as the offshore element of his package is concerned. Such an omission almost certainly represents a fiscal offense in the host country, and Universal Inc. is arguably conniving at it, to a greater or lesser degree.

Assuming the company goes ahead with this idea, where in the group, exactly, is the offshore payment to be expensed? Now, the group probably has a little company in some jurisdiction that im-

poses only a low rate of corporate tax, or none at all. Helped possibly by banking secrecy and the lack of a requirement to file audited financial statements, the group may accordingly decide to let Taxhaven Co. bear the expense.

But then, the tax adviser gets wind of all this and says, "Hold it, you are not getting an effective deduction for this payment, in computing taxable profits within the group." The offshore payment to Mr. Expatriate will reduce any tax payable only at Taxhaven Co., and it may not even do that because the tax authorities in the jurisdiction may say that the payment has nothing to do with earning the profits of Taxhaven Co.

Some would point out that, if the whole package had been paid onshore, even though the gross amount would have had to be far greater to give Mr. Expatriate the same net sum in his pocket, the after-tax cost to the group might not have been significantly greater, and at least the taint of illegality would be removed.

This would not, of course, satisfy Mr. Expatriate, because he might have considerable difficulty in getting his savings out, through the controlled local exchange rate, into a hard currency area.

So what can be done? The group treasurer might argue that Taxhaven Co. should make a management charge to the Erewhon subsidiary, which also would deal with any problems raised by the tax authority.

But this may not be the easy answer it seems. In the first place, under the tax and/or exchange-control laws of some developing countries, such charges may only be made for the supply of technology not already available within the host country.

Many groups would leave Taxhaven Co. out of this altogether and account any local tax disadvantages in some jurisdiction that im-

Table with multiple columns containing financial data, fund names, and prices. Includes sections for 'INTERNATIONAL FUNDS' and 'Other Funds'.

For information on how to list your fund, fax Simon OSBORN on (33-1) 46 37 21 33.

DAVE BARRY

Diary of a Fun Year

JANUARY
1 - George Bush, while practicing the Secret Handshake of the Six or Seven Top World Leaders club, glances out the Oval Office window and notices that the darned U.S. economy is STILL in trouble. He vows to write a stern note to his economic advisers. Wayne and Garth, Bill Clinton, a virtual unknown on the national scene, arrives in New Hampshire with enough hair spray to immobilize the Brazilian rain forest.
FEBRUARY
11 - Bill Clinton's character comes under scrutiny when the news media obtain a 1969 photograph showing him reporting for a draft physical wearing a dress.
20 - Ross Perot announces that if his supporters put him on the ballot in all 50 states, he will have them investigated.
MARCH
11 - In the trial of accused Mafia kingpin John Gotti, the judge considers a defense motion to declare a mistrial because "The air seems to be running a little low inside the 55-gallon drum where we are keeping your honor's mother."
APRIL
9 - Great Britain elects an entire new government following a campaign that took less time, total, than U.S. politicians will debate, later in the year, to agree on a deficit format.
17 - Downtown Chicago is paralyzed for what will turn out to be several days by a massive, multimillion-dollar flood. The cause of which is ultimately traced to the home of Arnold Spooferman, whose last words, according to his wife, were "We don't need a plumber. I'll just tighten this..."
MAY
21 - In what will later be viewed as a mistake, the crack Middle East Peace Negotiating Team is sent into what used to be Yugoslavia.
JUNE
3 - Clinton, seeking to improve his image among young voters, goes on "The Arsenio Hall Show" and, after donning a pair of dark sunglasses, smokes a joint.
10 - Scientists detect a large new hole in the ozone layer, believed to be caused by fumes from flaming desserts served at the Earth Summit.
JULY
17 - Seeking to boost the sagging U.S. humor industry, Vice President Quayle gives a spelling lesson.
25 - A freak tidal wave hits Daytona Beach, Florida. Scientists are baffled until satellite photos detect Ted Kennedy breast-stroking about three miles offshore.
17 - Clinton begins his speech accepting the Democratic nomination.
19 - Clinton concludes his speech and sets out on a bus tour of the Heartland with Al Gore, whose body is unable to bend enough to fit in the bus seats, so his aides just stick him up on the luggage rack, still in a waving position.
AUGUST
20 - General Motors announces, that, in an effort to cut costs, it will stop making cars.
21 - Delegates to the Republican Convention reaffirm their support for Traditional Family Values by burning a suspected witch.
SEPTEMBER
25 - In a landmark ruling, an Orlando, Florida, judge declares that a 12-year-old boy has the right to select his own parents. He selects Marge and Homer Simpson.
OCTOBER
19 - Clinton promises to increase spending on the cities, suburbs, farms, wilderness, ozone layer and asteroid belt, while at the same time eliminating waste and heart disease.
NOVEMBER
3 - Clinton wins and announces that he may not be able to fulfill all of his campaign promises IMMEDIATELY.
26 - Superman dies, probably as a result of wearing the same underwear for 50 years.
DECEMBER
1 - What begins as a friendly transitional get-together between the Bushes and Clintons ends in tragedy when Millie ralphs up what is later identified as Socks the cat.
31 - Bands of white men in dark suits are converging on New Hampshire to prepare for the 1996 presidential campaign, which starts next week. Until then, have a Happy New Year.
Knight-Ridder Newspapers

In a Hague Troupe, Dancing On After 40

By John Rockwell
New York Times Staff

THE HAGUE — Professional dance can be tamed. In the Western world, at least, it is the province of youth, of young bodies that can be molded by choreographers and accomplish breathtaking physical feats.

After a certain age — conventionally, 40 — a dancer accustomed to a glamorous life and applause and world travel suddenly finds himself or herself on the professional scrap heap. In a big ballet company, there are always character parts. They are ballet-master and teaching jobs. A choreographer in the modern-dance tradition can continue performing, inconspicuously surrounded by a seemingly unchanging cadre of youthful dancers; one thinks of Martha Graham or Merce Cunningham.

But most aging dancers are forced to fade into private life. And outside the civil-servant status enjoyed by members of state-supported companies in Europe, they often have few resources to support themselves in their enforced early retirements. The shock can be devastating. It can also be a waste of still-talented performers with much to discover and much to give.

For all those reasons, the Czechoslovak-born Jiri Kylian, who has run the Netherlands Dans Theater here for 17 years, decided last year to start a chamber company for dancers over 40. Called Netherlands Dans Theater 3 (the main company is Dans Theater 1 and the junior company is 2), it has attracted important dancers and choreographers and, even without direct government support, has proven a big hit with the critics and public — not only in the Netherlands but all over Europe. There is an active European touring schedule from January through May.

"If you are the artistic director of a dance company for a substantial number of years, you are confronted with the painful moment when for one reason or another a dancer has to leave," Kylian said in an interview. "This can mark them in a quite terrible way."

"I am 45 myself, and I know what it means to be around this time of life and how difficult it can be. This company is a gesture toward the dancers. It tells them they don't have to give up, that there are ways of having an expressive, endless possibilities that can go on until you die."

The troupe is not meant to provide guaranteed employment for dancers from their early teens until old age. There are 32 dancers in the main company, and at present only four in Dans Theater 3. Furthermore, those 4 (or 5, depending on repertory) shift continually. There are two programs per season, each requiring a commitment of about five months of rehearsal and about 40 performances. The idea is that dancers who have learned one program occasionally reunite for revivals after the initial five-month period.



During Maguy Marin dance, from left, Sabine Kupferberg, Gérard Lemaître and Niklas Ek.

Anyone expecting an evening that eased off on aging bodies and stressed upper-body subtleties and the gravity of maturity would have been disappointed. Instead, the large and enthusiastic audience saw works that capitalized on the dancers' theatrical skills and strong personalities but that also were full of wit and life.

The current program was unveiled on Nov. 26 in the Hague and will play through Jan. 15, with additional tour dates. The dancers are Sabine Kupferberg and Gérard Lemaître, both longtime Dans Theater stalwarts; Niklas Ek, a veteran of the Cullberg Ballet, the Ballet of the 20th Century and the Royal Ballet of Sweden, and Martine van Hamel, well known to New York audiences for her years with American Ballet Theater. Lemaître serves as company director.

The program, seen recently at the Netherlands Dans Theater's spiffy home, consists of new works by Maguy Marin of France, Ohad Naharin of Israel and Kylian.

There was to have been a fourth new work by Maurice Béjart for his longtime star Jorge Durruti. But Durruti died this fall and Kylian said Béjart was too distraught for now to work with the company without him. In place of the Béjart work came a revival of a dance done last year for the company by Mats Ek, Niklas's brother.

Marin's "Made in France," for the full company, blended droll humor and sexy interplay, and Naharin's "Off White" for Ek and Kupferberg was similarly funny and sensual. Kylian's "No Sleep Till Dawn of Day" was a more somber study, with parallel solos by Van Hamel and Kupferberg, while Mats Ek's "Journey," for the foursome, was focused on the boyishness of his 49-year-old brother.

None of the dancers thought of the company as a rest home for dancers in steep decline. "We are all strong individuals, and still really physical," Kupferberg said.

Kylian and the dancers said that all the choreographers who were approached have been eager to work with the company, despite extreme low fees (Dans Theater 3 must get by on box-office receipts, although of course many umbrella costs are covered by the main company, which is 60 percent supported by the Dutch state

and 40 percent by the city of The Hague). The choreographers work differently with these older dancers than with the younger dancers they are used to. Although the current program proves that Kupferberg's claim of continued physicality is no boast, the choreographers work carefully with them to bring out their strengths, instead of demanding that they fulfill a pre-existing vision.

"A person like Martine van Hamel has worked with 40 or 50 or 60 choreographers in her life," Kylian said. "Can you imagine what an accumulation of experience that is?"

As if to stress the intense personal bonds between choreographers and mature dancers, last season's inaugural program deliberately underscored such links. "Four choreographers made works on people who represented a special part of their lives," said Kylian, who is married to Kupferberg. "Mats Ek did a piece for his brother, I did one for his ex-wife and Hans van Manen did one for his ex-boyfriend." Choreographers for coming seasons include Béjart, Martha Clarke, Jennifer Muller, Carolyn Carlson and Lar Lubovitch. Gary Chouly, the Jeffrey Ballet veteran, is to join the company soon.

PEOPLE

Hoffa's Son Says Film Misses Pop's Brilliance

Jimmy Hoffa's only son says Jack Nicholson gets down some of his father's essence, but he doesn't like the new \$40 million film about the Teamsters Union boss — possibly because since 1975 and possibly buried secretly. The film probes Hoffa's ties with organized crime, a relationship that may have led to his disappearance. "It was not exactly what I thought it would be," said James P. Hoffa, 51, a labor lawyer in Detroit. "My father was a very brilliant, charismatic man. I didn't see that as clearly as I thought I would."

Mia Farrow took greeting cards off packages Woody Allen sent to his son for his birthday and from Christmas packages he sent to his two adopted children. Allen's spokeswoman said, "Miss Farrow didn't want the children to read the notes embellished with sketches and doodles that Mr. Allen sent them taped to the packages, so she stripped them off." "It's pathetic and very sad that she should be depriving the children of greetings from their father on Satchel's birthday and for the holiday," Satchel, Allen's biological son with Farrow, turned 5 last Saturday. The other children are a daughter, Dylan, 7, and Moses, 14. Allen and the actress, lovers for 13 years, are locked in a nasty custody battle over the children.

Tom Cruise and Nicole Kidman have canceled plans to adopt a baby in Palm Beach County, Florida, according to court documents, and have demanded an investigation into how their adoption petition became public.

Nightcaps, a defunct Dallas band, has sued the ZZ Top rock group for \$49 million, accusing it of stealing its song titled "Thunderbird." Nightcaps charged in U.S. District Court in Dallas that it wrote the song, which glorifies cheap wine.

INTERNATIONAL CLASSIFIED
Appears on Page 5

WEATHER

Forecast for Sunday through Tuesday. Includes maps of North America, Europe, and Asia with weather symbols and temperature forecasts for various cities.

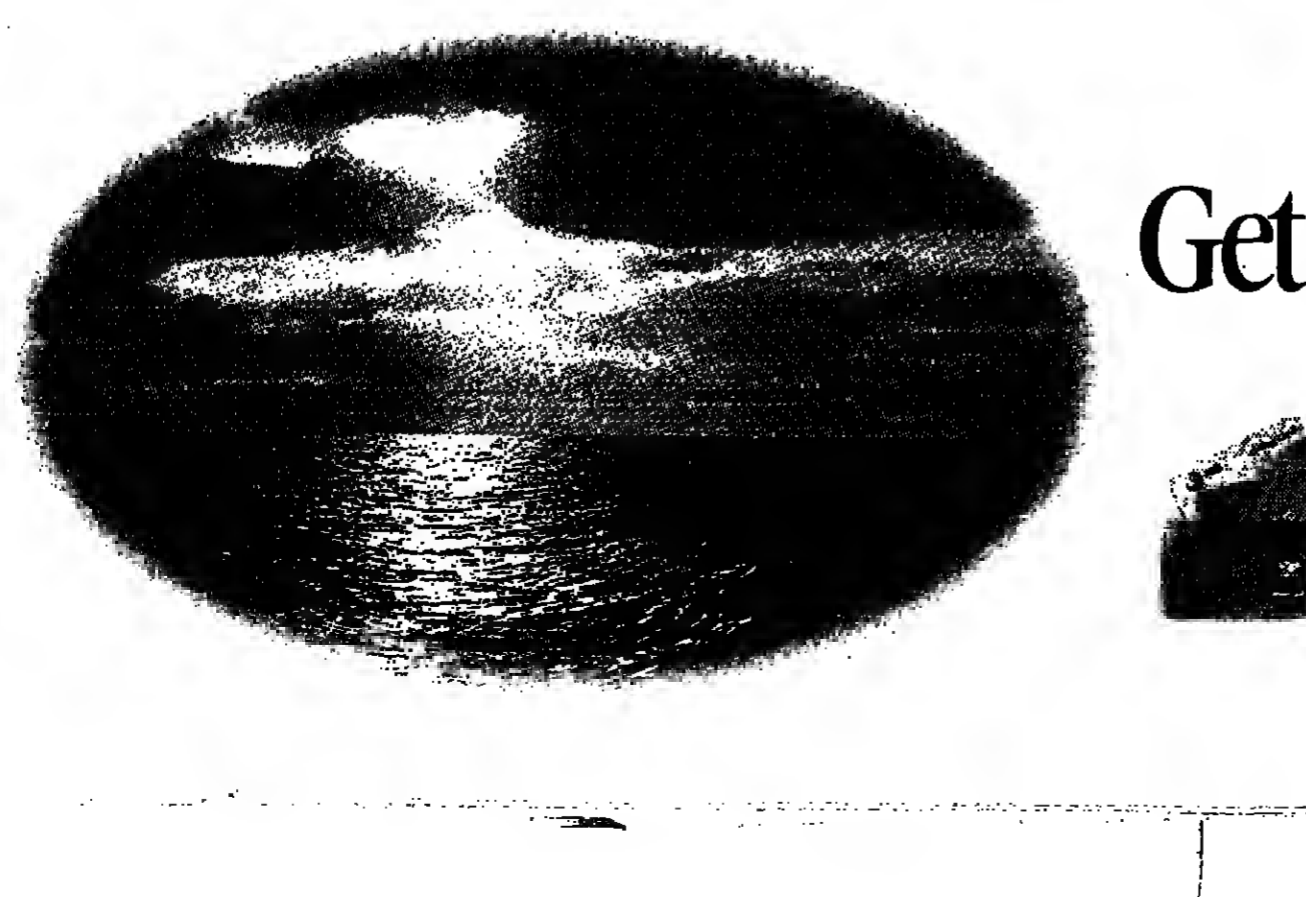
Logographs By Ernst Theimer

A collection of crossword puzzles. Includes a grid for puzzle 1 and a list of clues for various puzzles such as 'ACROSS', 'DOWN', and 'Solution to Puzzle of Dec. 19-20'.

AMERICAN POPULISM: A Social History, 1877-1898
By Robert C. McMath Jr. 243 pages. \$30. Hill and Wang.
Reviewed by Jonathan Yardley
IN the language of American politics scarcely any word has been more routinely abused and misused than "populism." Though the offenders occasionally are politicians themselves, more often they are journalists and other commentators who, having studied their history half-heartedly or not at all, assume that because "populism" derives from populus, Latin for "people," it refers to any candidate or broad political movement that seeks to arouse popular sentiment in an empathetic or demagogic way.

But it doesn't. Populism was a short-lived if disproportionately influential movement that grew out of specific grievances in specific places and sought specific remedies for them. It was, for its time, radical both in these proposals — a graduated income tax, public ownership of railroads, popular election of U.S. senators — and in its broad insistence upon what Robert McMath calls "the simple idea that the producer deserves the fruits of his or her work."
Given that populism is so widely misunderstood, it is useful to have McMath's careful, intelligent analysis of the phenomenon; his book is timely as well, since we have just been through another round ofersatz "populism" in the press, the beneficiary this time being Ross Perot, who is in fact approximately as "populist" as John D. Rockefeller.

In the circumstances, "American populism" should be required reading for anyone whose interest in politics does not include an accurate understanding of its history.
Populism burst onto the American scene in the early 1890s. In essence it was a farmers' movement, arising from "many separate islands of protest scattered across the South and West."
The grievances of those who were attracted to the movement varied in particulars from area to area, but they boiled down to hatred and fear of the monopolistic trusts of the Northeast and to a belief in what was called "producerism" — the notion that work and its fruits belonged to workers, not to middlemen or creditors or lenders or others who, in the view of these farmers, earned their profits off the sweat of laborers. As McMath puts it: "The story of western farmer mobilization is a story of men and women who had knowingly entered the world of commercial agriculture with hopes of making a life, as well as a living, for themselves and their children. Now they, like their southern counterparts, found themselves buffeted by forces beyond their control and their dreams turned to nightmares."
McMath tells populism's brief but interesting story succinctly and well. He places populism "within the context of rural social history," in so doing helping us understand not merely why it came into being but why it was fated to be a regional phenomenon of short, if intense, existence.
Jonathan Yardley is on the staff of The Washington Post.



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